

PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Richard Colwell, Chief Assistant CEO – Redevelopment Director *REC*
Rae James, Deputy Director
DATE: April 4, 2006
SUBJECT: Adopt a Resolution Approving the Use of \$75,000 of Tax Increment Funds to Purchase Vacant Land Near the Intersection of State Highway 28 and Chipmunk Street in Kings Beach and Authorize the Chief Assistant CEO-Redevelopment Director to Execute All Related Documents.

ACTION REQUESTED: Adopt a resolution approving the use of \$75,000 of Tax Increment Funds to purchase vacant land (Assessor's Parcel Number (APN): 090-370-005) near the intersection of State Highway 28 and Chipmunk Street in Kings Beach and authorize the Chief Assistant CEO-Redevelopment Director to execute all related documents.

BACKGROUND: In August 2005, the Redevelopment Agency (Agency) conducted due diligence for the potential acquisition of APN: 090-370-005 (Site) located in Kings Beach. The Site is owned by The Brockway Club, a joint venture, and is located near the intersection of State Highway 28 and Chipmunk Street. (See Attachment - Map). The Agency researched Assessor's records and satisfactorily received a title report, Phase I environmental assessment, appraisal and an ALTA boundary survey. Upon initial contact with the Site owners, an offer was extended and accepted pending Board approval, by the principal of The Brockway Club to purchase the Site for the appraised value of \$75,000 (See Attachment – Purchase Agreement). The Agency will also incur closing costs that will also be paid from North Lake Tahoe Tax Increment.

This site is located strategically at one of the eastern gateways into Kings Beach. It is anticipated that the Agency will ultimately contribute this site to a larger private development that will result in a major improvement to the Kings Beach community. California Redevelopment Law, Health and Safety Code Section 33391, authorizes redevelopment agencies to acquire property to effectuate redevelopment. The Site acquisition meets the North Lake Tahoe Redevelopment and Implementation Plan goals to assemble land into economic parcels in support of rehabilitation and revitalized development.

PROBLEM STATEMENT: Listed below are key elements of the acquisition:

- **Price:** Johnson-Perkins Associates, Inc. appraised the site for \$75,000.
- **Due Diligence:** The following due diligence has been concluded: preliminary title report, phase I environmental site assessment, preliminary engineering plans, and impervious coverage plans. No adverse conditions were cited in the above reports. The

purchase agreement contains a feasibility period of fifteen (15) days from the date of Board approval, to complete any remaining due diligence.

- **California Environmental Quality Act (CEQA):** Agency acquisition of property is exempt from review under CEQA guidelines section 15180 for redevelopment projects that fall under the Agency's planned activities. This action, as noted is consistent with the North Lake Tahoe Redevelopment Plan, which received environmental approval at the time of adoption.
- **Operational & Maintenance Expenses:** Operation & maintenance expenses for this Site acquisition are anticipated to be minimal and may include trash and debris removal.

FISCAL IMPACT: The Seller has agreed to the purchase price of \$75,000. Total estimated expenditures for this acquisition are \$79,000 including closing costs. The Agency has budgeted sufficient North Lake Tahoe Redevelopment Tax Increment funds to make this purchase. There will be no impact on the County General Fund.

ENVIRONMENTAL STATUS: Property acquisition in furtherance of the North Lake Tahoe Redevelopment Project Area Plan is exempt from environmental review per CEQA guidelines section 15180. In addition, the proposed action to acquire land does not commit the Agency to a definite course of action. The proposed action is not a federal undertaking under NEPA guidelines.

RECOMMENDATION: Adopt a resolution approving the use of \$75,000 of Tax Increment Funds to purchase vacant land (APN:090-370-005) near the intersection of State Highway 28 and Chipmunk Street in Kings Beach and authorize the Chief Assistant CEO-Redevelopment Director to execute all related documents.

Attachments:

cc: Sabrina Thompson, Agency Counsel

**Before the Placer County
Redevelopment Agency Board of Directors
County of Placer, State of California**

In the matter of:

**Adopt a Resolution Approving the Use of \$75,000 of Tax
Increment Funds to Purchase Vacant Land (APN: 090-370-005)
Near the Intersection of State Highway 28 and Chipmunk
Street in Kings Beach and Authorize the Chief Assistant CEO-
Redevelopment Director to Execute all Related Documents.**

Resol. No:_____

Ord. No:_____

First Reading: _____

**The following Resolution was duly passed by the Redevelopment Agency Board
of the County of Placer at a regular meeting held April 4, 2006,**

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

**Attest:
Clerk of said Board**

Chair, Agency Board

BE IT RESOLVED by the Board of the Placer County Redevelopment Agency as follows:

**WHEREAS, the Redevelopment Plan for the North Lake Tahoe Redevelopment Project Area
(Redevelopment Plan) was adopted by the Placer County Board of Supervisors on July 16, 1996
by Ordinance No. 4753-B and as subsequently amended from time to time; and**

**WHEREAS, the Redevelopment Agency of the County of Placer (Agency) is vested with
responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the**

Health and Safety Code of the State of California) to implement the Redevelopment Plan in the Project Area; and

WHEREAS, the Agency intends to purchase certain real property within the Project Area (Property) upon which it intends to hold the Property for future development; and

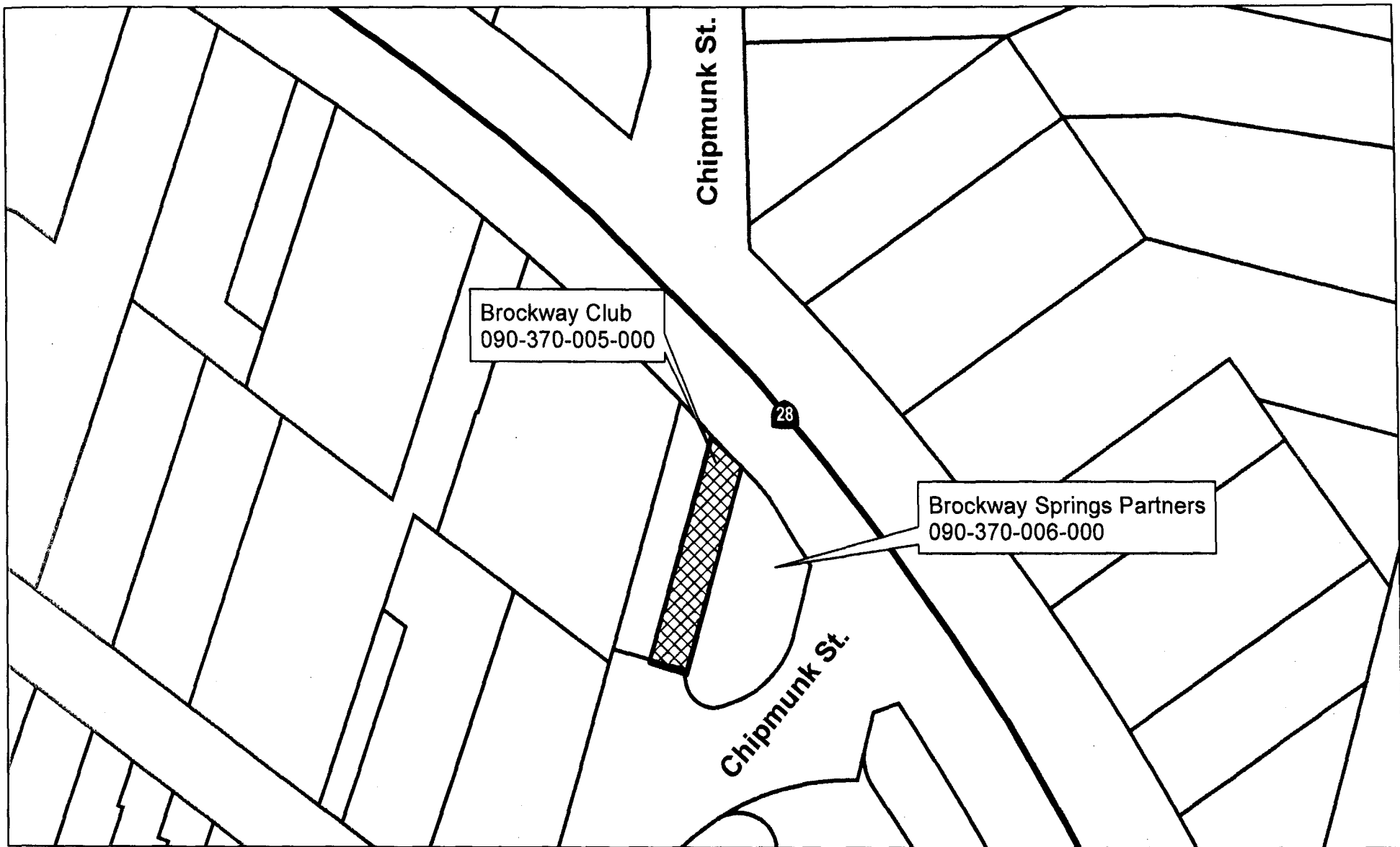
WHEREAS, acquisition of real property by the Agency for future development is contemplated and provided for in Section 309 of the Redevelopment Plan and pursuant to Section 33391 of the Law; and

WHEREAS, property acquisition in furtherance of the North Lake Tahoe Redevelopment Project Area Plan is exempt from environmental review per California Environmental Quality Action guidelines section 15180. In addition, the proposed action to acquire land does not commit the Agency to a definite course of action. The proposed action is not a federal undertaking pursuant to NEPA; and

WHEREAS, by the staff report accompanying this Resolution and incorporated herein by this reference, the Agency Board has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that based on information presented to the Agency Board and in compliance with the requirements of Section 33391 of the Law, the Agency finds and determines as follows:

1. All of the above recitals are true and correct, and the Agency Board has based the findings and actions set forth in this Resolution, in part, on such recitals.
2. The Board hereby finds and determines that the acquisition of the Property will assist in the elimination of one or more blighting conditions in the Project Area and is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33391 of the Law. A summary of the factual and analytical basis used by the Agency in making these findings and determinations is set forth in the Staff Report.
3. The Agency Board consents to the payment by the Agency for the acquisition of APN 090-370-005 from The Brockway Club, a Joint Venture Partnership, for \$75,000, the appraised value, and approximately \$4,000 in closing costs.
4. The Agency Board authorizes the Chief Assistant CEO–Redevelopment Director, or his designee to execute all necessary documents to carry out this acquisition.
5. This Resolution shall take immediate effect from and after its passage and approval.



Brockway Parcels located at Highway 28 and Chipmunk
Kings Beach, CA

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement") is entered into as of _____, (the "Effective Date") by and between the Redevelopment Agency of the County of Placer, a public body, corporate and politic (the "Buyer") and The Brockway Club, a Joint Venture, A Partnership (the "Seller"), and Placer Title Company of California whose address and telephone number is 193 Fulweiler Avenue, Auburn, CA 95603, (530) 885-7722, ("Escrow Holder") with reference to the following facts and purposes.

RECITALS

A. The Seller is a fee owner of that certain real property consisting of approximately 0.12 acres located in the unincorporated portion of Placer County known as Kings Beach, California, located on State Highway 28 near the intersection of State Highway 28 and Chipmunk Street (APN 090- 370-005), and as more particularly known by legal description on Exhibit A (the "Property"). The Property includes all coverage rights and development rights associated with the Property under codes, procedures and policies of the Tahoe Regional Planning Agency ("TRPA") and any TRPA approvals for the Property. Such coverage rights and development rights shall be referred to in this Agreement as "Coverage Rights" and "Development Rights," respectively

B. The Buyer wishes to purchase the Property for the purpose of redevelopment (the "Project"), subject to the contingencies contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Buyer and the Seller agree as follows:

Section 1. Purchase and Sale of the Property. Subject to the terms and conditions set forth below, the Seller agrees to sell, and the Buyer agrees to purchase, the Property.

Section 2. Opening Escrow. The parties have established an escrow, Order No. 102-21216-LO (the "Escrow") with the Auburn, California office of Placer Title Company (the "Escrow Holder").

Section 3. Purchase Price. The purchase price for the property shall be Seventy-Five Thousand Dollars (\$75,000) (the "Purchase Price").

Section 4. Payment of Purchase Price. The Purchase Price shall be paid by the Buyer as follows:

a. Deposit. Within five (5) business days following the Effective Date, the Buyer shall deposit with the Escrow Holder Five Thousand Dollars (\$5,000) as an earnest money deposit (the "Deposit"). The Deposit shall be credited against the Purchase Price at Closing. The Deposit shall be fully refundable to the Buyer in the event that this Agreement is terminated under Section 5, below. Upon waiver or satisfaction of the Contingencies (as defined below), the Deposit shall become nonrefundable to Buyer, except upon Seller's default.

b. Balance of the Purchase Price. The Buyer shall deposit to the Escrow Holder the balance of the Purchase Price, together with Buyer's share of any closing costs, no later than one (1) business day prior to the Close of Escrow (as defined below).

Section 5. Contingency Period. Buyer's obligation to purchase the Property is contingent on the satisfaction of the conditions set forth in Section 6, Section 7, Section 8, Section 9, and Section 10 (collectively, the "Contingencies").

Section 6. Feasibility Determination. The Buyer shall have made a determination of its satisfaction that the Property is suitable for development of the Project and that the Project is feasible from architectural, land use, land capability, utility capacity and economic perspectives within fifteen (15) days following the Effective Date, and Buyer shall have given Seller written notice thereof within such period (the "Feasibility Period"). Buyer may conduct any inspections, at Buyer's expense, that Buyer deems necessary, including hazardous materials testing, hydro-geologic testing, review of TRPA Stream Zone Maps, and inspection of on-site drainage facilities. Seller grants Buyer the right to enter the Property for the purpose of conducting examinations. Buyer shall obtain Seller's written consent prior to conducting any invasive testing of the Property; and Buyer shall cooperate with Seller to ensure that any such access results in the least possible disruption of the Property. Buyer shall repair any damage to the Property caused by Buyer's inspections and tests and shall restore the Property to substantially the condition existing as of the Effective Date. Buyer hereby agrees to defend, indemnify and hold Seller harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation actual attorneys' fees and costs of experts and consultants) arising directly out of any investigative activities of Buyer or its agents or representatives on the Property at any time following the Effective Date, except to the extent arising upon the discovery of any latent conditions in the Property or any Hazardous Materials (as defined below) in, on or under the Property. Buyer's failure to timely notify Seller of Buyer's approval of the feasibility of purchasing the Property by the end of the Feasibility Period pursuant to this Section 6 shall be deemed Buyer's election to terminate this Agreement. Upon such termination, Seller shall immediately refund the Deposit to Buyer without further action by either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement, except those provisions specified to survive the termination of this Agreement.

Section 7. Title. Buyer shall be satisfied with the condition of title to the Property. Buyer approves those exceptions appearing on the Preliminary Title Report dated August 5, 2005 and issued by Escrow Holder in connection with the Escrow (the "Report"). Seller shall notify Buyer immediately regarding any change to the condition of title to the Property prior to the Closing Date. Should any new facts or circumstances related to title of the Property be discovered after the Effective Date, Buyer shall have the right to object to such fact or circumstance or terminate this Agreement. If Buyer makes an objection pursuant to this subsection, Seller, within fifteen (15) days after receipt of Buyer's objection, shall notify Buyer in writing whether Seller elects to (i) cause the exception to be removed from title, (ii) obtain a commitment from Escrow Holder for an appropriate endorsement to the policy of title insurance to be issued to the Buyer, reasonably acceptable to Buyer, insuring against the objectionable exception, or (iii) terminate this Agreement unless the Buyer elects to take title subject to such exception. Seller's failure to so notify Buyer of its election shall be deemed to be Seller's election to cause the exception to be removed from title.

Section 8. Document Inspections. Buyer shall be satisfied with the condition of the Property within the Feasibility Period. Within five (5) business days following the Effective Date of this Agreement, Seller shall make available to the Buyer for Buyer's review and approval the following documents, if any, (the "Preliminary Documents") in Seller's possession: (i) any and all third party reports, studies and investigations related to the Property's physical condition including, soils reports, or inspection reports; (ii) a disclosure statement regarding known conditions that may affect the value of the Property, including prior uses of the Property, environmental conditions, water rights and easements; (iii) any architectural plans and drawings, record of survey, and specifications for the Property (if available); (iv) any records relating to any lawsuits pending against the Seller, its agents or employees in connection with the ownership, operation, or management of the Property; (v) any leases affecting the Property; (vi) TRPA Stream Zone Maps; and (vii) verification of TRPA excess coverage fees, Development Rights and Coverage Rights for the Project and Property. In the event Buyer does not approve any of these documents, the Buyer shall have until 5:00 p.m. on the expiration date of the Feasibility Period within which to exercise its right to terminate this Agreement by providing written notice to Seller of its election to do so pursuant to this Section. Upon such termination, Seller shall immediately refund the Deposit to Buyer without further action by either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement, except those provisions specified to survive the termination of this Agreement.

Section 9. Extent of Coverage Rights and Tree Preservation. Notwithstanding subsection (a) and (b), Buyer shall have until the expiration of the Feasibility Period to (i) verify the coverage as determined by TRPA and (ii) to determine the tree preservation requirements, if any, related to the Property and the development of the Project. In the event that the Buyer determines that there is insufficient coverage to construct the project and the applicable tree preservation requirements render the Project infeasible, the Buyer shall notify Seller by the end of the Feasibility Period. Buyer's timely notice to Seller pursuant to this Section 10 shall be deemed Buyer's election to terminate this Agreement. Upon such termination, Seller shall immediately refund the Deposit to Buyer without further action by either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement, except those provisions specified to survive the termination of this Agreement.

Section 10. Agency Board Approval. Buyer shall have received approval of this Agreement from the Board of the Redevelopment Agency of the County of Placer prior to the Closing Date (as defined below). In the event Buyer does not receive such approval, the Buyer shall have until 5:00 p.m. on the last day of the Feasibility Period within which to exercise its right to terminate this Agreement by providing written notice to Seller of its election to do so pursuant to this Section. Upon such termination, Seller shall immediately refund the Deposit to Buyer without further action by either party, and thereafter neither party shall have any further duties, obligations, rights, or liabilities under this Agreement, except those provisions specified to survive the termination of this Agreement.

Section 11. LIQUIDATED DAMAGES. In the event that the escrow and this transaction fail to close as a result of the default of Buyer in the performance of its obligations under this agreement, Buyer and Seller agree that Seller will sustain damages, and that Seller's actual damages would be impracticable or extremely difficult to determine. The parties therefore agree that in the event that escrow and this transaction fail to close as a result of default of Buyer, and Seller is ready, willing and able to perform its obligations hereunder, Seller, as Seller's sole and exclusive remedy, shall be entitled to the Deposit as

liquidated damages and as consideration for entering into this Agreement. The parties acknowledge that the resulting damages will be impractical or extremely difficult to ascertain, and, therefore, the parties agree after negotiation between them that retention of the Deposit as liquidated damages will be an appropriate form of compensation to the Seller. By placing their initials in the spaces below, both parties agree to the liquidated damages as set forth above. In the event escrow fails to close as a result of Buyer's default and Seller is ready, willing and able to perform its obligations hereunder, then (a) following Seller's receipt of the Deposit, this agreement and the rights and obligations of Buyer and Seller hereunder and the escrow created hereby shall terminate (except those provisions specified to survive the termination of this agreement), and (b) Escrow Holder shall, and is hereby authorized and instructed to, return promptly to Buyer and Seller all documents and instruments to the parties who deposited the same. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369, but is intended to constitute liquidated damages to Seller pursuant to California Civil Code Sections 1671, 1676 and 1677. Seller hereby waives the provisions of California Civil Code Section 3389. Seller and Buyer acknowledge that they have read and understand the provisions of this Section 12, and by their initials immediately below agree to be bound by its terms.

SELLER'S INITIALS:

MK/UA

BUYER'S INITIALS

Section 12. Representations and Warranties of Seller. Seller hereby represents and warrants the matters set forth below to be true to the best of Seller's Knowledge as of the Effective Date and as of the Closing Date. Prior to the Closing Date, Seller shall deliver to Buyer a certificate dated as of the Closing Date, signed by Seller, certifying that the representations and warranty are true to the best of Seller's Knowledge as of the Closing Date. Such representations shall survive the closing and conveyance of title to the Property. For purposes of this Agreement, Seller's "Knowledge" shall mean the actual present knowledge of any employee, agent, board member or officer of Seller.

a. Seller has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of the Seller have the power, right and authority to bind Seller.

b. Neither the execution of this Agreement nor the consummation of the transaction contemplated hereby shall result in a breach of or constitute a default under any agreement, instrument, or other obligation to which Seller is a party or by which Seller or the Property may be bound.

c. There is no claim, action, litigation, arbitration or other proceeding pending or, to the best of Seller's Knowledge, threatened against Seller which relates to the Property or the transaction contemplated hereby or which could result in the imposition of a lien against the Property or have an adverse effect on the Property or its operation. If Seller receives notice of any such claim, litigation, arbitration or proceeding prior to the Closing Date, Seller shall promptly

notify Buyer of the same in writing.

d. There will be no leases, management agreements, contracts, warranties, guaranties, bonds or other agreements which will affect the Property or which will be obligations of the Buyer, other than as disclosed to Buyer pursuant to Section 8 or as specifically approved by Buyer.

e. To the best of Seller's Knowledge, neither the Property nor Seller is in violation of, and Seller has not received any written notice of any violation of, any law, ordinance, regulation, order or requirement applicable to the Property including without limitation, requirements imposed under any recorded covenants, conditions, restrictions, easements or other rights affecting the Property, other than as disclosed to Buyer pursuant to Section 8. If Seller receives such a notice prior to the Closing Date, Seller shall immediately notify Buyer.

f. Seller has no knowledge, except as otherwise disclosed in writing or in any of the documents delivered pursuant to Section 8, of the existence or prior existence in, on or under the Property of any Hazardous Materials.

g. Seller is not a "foreign person" under Section 1445 of the Internal Revenue Code.

h. The Seller shall not sell any Coverage Rights or Development Rights associated with the Property to any party other than Buyer prior to the termination of this Agreement or the Close of Escrow.

During the term of this Agreement, Seller shall have a continuing duty to notify Buyer of any material facts in Seller's Knowledge which would render any of the representations set forth above false. Such duty shall not, however, abrogate nor limit Buyer's independent responsibility to perform its own investigation into the Property. Except in the case of Seller's willful or knowing misrepresentation, in the event that Buyer discovers at any time prior to the Closing Date that any of the representations or warranties set forth in subsections 12(c), 12(e) or 12(f) above are false, Buyer's sole remedy shall be the right to terminate this Agreement and recover the total amount of Deposit. In the event that Buyer learns that any Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway, then, and in that event, Buyer shall conclusively be deemed to have waived any right it may have to bring an action or proceeding against Seller regarding said representation or warranty.

Section 13. Representations and Warranties of Buyer. Buyer hereby represents and warrants the matters set forth below to be true to the best of Buyer's knowledge as of the Effective Date and as of the Closing Date. Such representations shall survive the closing and conveyance of title to the Property. Prior to the Closing Date, Buyer shall deliver to Seller a certificate dated as of the Closing Date, signed by Buyer, certifying that the representations and warranty are true to the best of Buyer's knowledge as of the Closing Date.

a. Buyer has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of the Buyer hereby represent and warrant that they have the power, right and authority to bind Buyer.

b. Neither the execution of this Agreement nor the consummation of the transaction contemplated hereby shall result in a breach of or constitute a default under any agreement, instrument, or other obligation to which Buyer is a party or by which Buyer may be bound.

Section 14. Close of Escrow.

a. Subject to the other provisions of this Agreement, escrow shall close within sixty (60) days following the date of the Effective Date. Upon Close of Escrow, Seller shall convey the Property to Buyer by grant deed in form reasonably acceptable to the Buyer (the "Grant Deed"). The "Closing Date" or "Close of Escrow" hereunder shall be the date that the Grant Deed is recorded with the office of the County Recorder.

b. Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to purchase the Property are subject to the satisfaction of the following conditions or Buyer's written waiver of such conditions on or before the Closing Date:

(i) Seller shall have performed all obligations to be performed by Seller pursuant to this Agreement.

(ii) Seller's representations and warranties herein shall be true and correct in all material respects as of the Closing Date.

(iii) Pursuant to Section 17, the Title Company shall be irrevocably committed to issue the title policy to Buyer, as of the Closing Date.

(iv) There shall be no moratorium, prohibition or any other measure, rule, regulation or restriction, including, without limitation, any moratorium on the provision of or hook-up to public utilities, which was not in force as of the end of the Feasibility Period and the effect of which would be to preclude any inspections, or the issuance of any building or other permits, or construction, of the Project on the Property as contemplated by the Buyer; provided however that the occurrence of any of the restrictions set forth in this subsection shall not be deemed to be a Seller default and the Deposit shall not be returned to Buyer.

(v) The Buyer has approved all contingency items pursuant to the Contingencies.

(vi) The Seller has not sold or transferred any Development Rights or Coverage Rights to any party other than Buyer and pursuant to this Agreement.

Buyer may waive, in writing, any or all such conditions in its sole and absolute discretion.

c. Conditions to Seller's Obligations. The Close of Escrow and Seller's obligations to sell and convey the Property are subject to the satisfaction of the following conditions or Seller's written waiver of such conditions on or before the Closing Date:

(i) Buyer shall have performed all obligations to be performed by Buyer pursuant to this Agreement before Closing Date.

(ii) Buyer's representations and warranties and covenants set forth herein shall be true and correct in all material respects as of the Closing Date.

Seller may waive, in writing, any or all such conditions in its sole and absolute discretion.

Section 15. Condition of Title. At the Close of Escrow, the Seller shall deliver insurable title to the Property, free and clear of all liens, encumbrances, clouds and conditions, rights of occupancy or possession except:

- a. applicable building and zoning laws and regulations;
- b. any lien for current taxes and assessment not yet delinquent, or taxes and assessment accruing subsequent to recordation of the Grant Deed;
- c. any liens, encumbrances, clouds, conditions, or exceptions arising due in whole or in part to the actions of Buyer; and
- d. any title exceptions Buyer has approved pursuant to Section 7 or exceptions for which the Seller has obtained an appropriate endorsement pursuant to Section 7.

Section 16. Costs of Escrow and Closing. The Seller shall pay all costs and expenses of preparing, executing, acknowledging and delivering of grant deed and all transfer taxes. The Buyer shall pay the costs of any title insurance policy and all recording fees. All other closing costs, including the escrow fee, shall be paid equally by Buyer and Seller.

Section 17. Title Insurance. As a condition to the Close of Escrow, Placer Title Company shall be ready to issue an ALTA Owner's Policy of Title Insurance to the Buyer in the insurable amount of the Purchase Price and showing only those exceptions to title described in Section 7 and Section 15.

Section 18. No Changes. Seller shall not enter into amendments to any existing, nor enter into any new, leases, rental agreements or other third party contracts which shall be binding on the Property or the owner thereof after the Closing Date, without the written consent of the Buyer, which consent shall not be unreasonably withheld. Seller shall maintain the Property prior to the Closing Date in a condition consistent with its current condition and shall make at its own expense, all repairs necessary to maintain the Property in such condition; provided, however, that Seller shall make no material alterations in the Property without Buyer's prior written consent, which shall not be unreasonably withheld. With respect to any of the activities set forth hereunder, Seller shall give written notice of its intention so to act, conspicuously stating "Response Required Within Thirty (30) Days" and Buyer shall be deemed to have consented thereto unless Buyer delivers a written objection to Seller within thirty (30) days after receipt of Seller's notice.

Section 19. Loss, Destruction and Condemnation. The parties agree that the Uniform Vendor and Purchaser Risk Act, set forth in Civil Code Section 1662, and its provisions governing the allocation of risk of loss, shall govern this transaction.

Section 20. Prorations and Adjustments. General and special real estate and personal property taxes and assessments payable for the tax year in which the Closing Date occurs shall be prorated by Seller and Buyer as of the Closing Date. Unless otherwise provided in this Section 20, all prorations shall be made on the basis of the actual days in a month and a three hundred sixty-five (365)-day year.

Section 21. Broker's Commission. Buyer represents and warrants that it has dealt with no broker, real estate agent or finder in connection with this transaction. Buyer and Seller (each, reciprocally, as an "Indemnitor") agree to indemnify and hold the other (as "Indemnitee") harmless from all expense, loss, damage and claims, including the Indemnitee's attorneys' fees, if necessary, arising out of the Indemnitor's breach of the foregoing representation. The parties agree that no real estate commission shall be paid as part of this transaction.

Section 22. Notices. All notices required or permitted hereunder shall be in writing. Any notice, tender or delivery to be given pursuant to this Agreement by either party may be accomplished by personal delivery, by first class certified mail, return receipt requested, or by delivery via an overnight courier which guarantees next day delivery. Any notice delivered by certified mail, return receipt requested shall be deemed received on the date of delivery reflected on the return receipt. Any notice delivered by overnight shall be deemed received one (1) business day after deposit thereof with the overnight courier. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this Section 22, on not less than ten (10) days prior written notice.

To Buyer: Redevelopment Agency of the County of Placer
 11493 B Avenue
 Auburn, CA 95603
 Attn: Deputy Director

After May 31, 2006, Mail To:

Redevelopment Agency of the County of Placer
3091 County Center Drive
Auburn, CA 95603
Attn: Deputy Director

To Sellers: The Brockway Club, A Joint Venture, A Partnership
 C/o Joseph H. Tilem
 9454 Wilshire Boulevard
 Beverly Hills, CA 90212

To Escrow Holder: Placer Title Company
 193 Fulweiler Avenue
 Auburn, CA 95603
 Attn: Leslie Ory, Title Officer
 Escrow No. 102-21216-LO

Section 23. Indemnification.

a. Seller agrees to defend, indemnify and hold Buyer harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation actual attorneys' fees and costs of experts and consultants) arising from (i) any obligation of Seller not expressly assumed by the Buyer related to the ownership or operation of the Property prior to the Close of Escrow; (ii) personal injury or property damage relating to the Property which occurred prior to the date of Close of Escrow and not caused by the acts or omissions of the Buyer or Buyer's agents, employees, or invitees; and (iii) the breach of any of Seller's representations made under this Agreement. The indemnity contained in this subsection shall survive the termination of this Agreement and the consummation of the Close of Escrow.

b. Buyer agrees to defend, indemnify and hold Seller harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation actual attorneys' fees and costs of experts and consultants) arising from (i) any obligation of Buyer not expressly assumed by the Seller related to the ownership or operation of the Property after the Close of Escrow; (ii) personal injury or property damage relating to the Property which occurred after the date of Close of Escrow and not caused by the acts or omissions of Seller or Seller's employees, agents, board members, or officers; and (iii) the breach of any of Buyer's representations made under this Agreement. The indemnity contained in this section shall survive the termination of this Agreement and the consummation of the Close of Escrow. Notwithstanding any other provision in this subsection, Buyer is not obligated to defend or indemnify Sellers or hold Sellers harmless for any claims related to Hazardous Materials in, on or under the Property or any portion thereof or any claims arising from federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials.

c. For purposes of this Agreement, Hazardous Materials shall mean the following: hazardous substance, hazardous waste, infectious waste, or hazardous material as defined in any federal, state or local statute, ordinance, regulation, or rule applicable to the Property, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) or Sections 25280 et seq., 25310 et seq., 25110 et seq., or 25500 et seq., of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq.), or California Water Code (Section 13000 et seq.) at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property, including asbestos, asbestos-containing materials, radon gas, oil or any fraction thereof of petroleum products, but excluding any substances or materials used in the construction, development, maintenance or operation of the improvements on the Property, so long as the same are used in accordance with all applicable laws.

Section 24. General Provisions.

a. Headings. The title and headings of the various sections hereof are intended as a means of reference and are not intended to place any construction on the provisions hereof.

b. Invalidity. If any provision of this Agreement shall be found by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and every provision hereof shall be valid and enforceable to the fullest extent permitted by law.

c. Attorneys' Fees. In the event of any litigation between the parties hereto to enforce or interpret any of the provisions of this Agreement, the prevailing party therein shall be entitled to recover from the unsuccessful party all costs and expenses, including reasonable attorneys' fees, all of which may be included as part of the judgment rendered in such litigation.

d. Entire Agreement. This Agreement supersedes all prior negotiations and agreements between the parties, and is intended by the parties as a final expression of their agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement constitutes the final and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement. No provision of this Agreement may be amended except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

e. Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

f. Time of the Essence. Time is of the essence in this Agreement.

g. Performance Days. If the day for performance under any time period specified in this Agreement shall fall on a Saturday, Sunday or holiday observed by the federal government or the State of California, then the time for performance under such time period shall automatically be extended to the next business day; provided, however, that the term "days" as used to compute time periods in this Agreement shall not be construed to mean "business days."

h. Cooperation of Parties. The Buyer and the Seller shall, during the Escrow period, execute such further escrow instructions and any and all other documents reasonably necessary or appropriate to close the purchase and sale pursuant to the terms of this Agreement.

i. Counterparts. This Agreement may be executed in counterparts and multiple originals, each of which shall be an original and all of which shall constitute the same instrument.

j. Exhibits. All Exhibits attached hereto are incorporated in this Agreement by this reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates shown below.

BUYER:

REDEVELOPMENT AGENCY OF THE COUNTY OF
PLACER,
A PUBLIC BODY, CORPORATE AND POLITIC

By: _____

Name: _____

Its: _____

Date: _____

SELLERS:

THE BROCKWAY CLUB, A JOINT VENTURE, A
PARTNERSHIP

By: *Paul Handzel*

Date: *3-3-06*

By: *Malvern L. Kaplan*

Date: *3-7-06*

EXHIBIT A
(Legal Description)

The land described herein is all that portion of Chipmunk Street lying between State Highway 28 and Lake Tahoe described in an abandonment proceeding held in Placer County, Resolution No. 70-564, recorded December 24, 1970 in Book 1328 of official records at page 578, excepting therefrom that portion lying northwesterly of centerline of said Chipmunk Street.

APN 090-370-005

